



**2019**

**BLOOMINGFOODS**  
ANNUAL REPORT

# THANK YOU

Thank you to all our owner-members, staff, shoppers, local producers, and community partners for being a part of our 43rd year of success as your cooperatively-owned grocery store! Much work has gone into making Bloomingfoods even more financially solvent, and we are so grateful for your support. Enjoy this year's Annual report where you'll read about how we've fulfilled our Ends statement, learn of the incredible generosity of the community via our Positive Change register round-up program, and see updated financial statements.



## Our Ends Statement

**Bloomington Cooperative Services will provide Bloomington and South Central Indiana with:**

- **A market for local, fair, and healthful products, produced with care for the land, animals, and future generations.**
- **A democratic cooperative-ownership model that provides meaningful employment and strengthens the community.**
- **A robust and sustainable local food economy with fair prices for producers and all owner-members**
- **Access to education on food systems, cooperative values, and the interconnectedness of food, health, and the environment.**

# GM REPORT

**By Dee Bohler & Phil Phillipy**



2019 has been a year of increased stability for our Co-op. Progress has been modest but ongoing, and we have seen another year of profitability. This stability has allowed us to focus more on meeting our Ends and less on simply surviving. As Organic and "natural" food becomes more commonly available, we look for other ways to remain relevant to our community. Most recently, we were able to successfully host two temporary farmers' markets while the City market was suspended. It was amazing to see our community stand together in support of our local farmers, and to show their commitment to a local food system!

We are pleased to report that we were able to increase our offerings of local products, which now account for 11.69% of all Bloomingfoods sales. We also continue to strive to be an excellent employer, and are excited to note that 27% of our staff have been working at the Co-op for more than five years! Our staff, as always, continues to work diligently to help us improve operations and meet the needs of our community. We are proud of their commitment and hard work, and we can't thank them enough. Like our staff, you, our owner-members, are central to our success. We are grateful for your support and encouraging words. We are overwhelmed by the number of owner-members who have stopped us in the stores to say "thank you". Thank you. It is much appreciated, and we feel privileged to be a part of your community.





# 2019 BOARD OF DIRECTORS

President - Maggie Sullivan, term ends 2019

Vice President - Pam Weaver, term ends 2020

Treasurer - Bobbi Boos, term ends 2019

Secretary - Jacob Schumacher, term ends 2020

Corbin Baird, term ends 2019

Angela Babb, term ends 2020

David Parkhurst, term ends 2021

Gerry Hays, term ends 2021

Tosh Lewis-Young, Term ends 2021

# PRESIDENT'S REPORT

By Maggie Sullivan



This has been a year of rebuilding for Bloomingfoods and I'm proud of the progress we have made. Much of the work was done quietly and with little fanfare. There are no imposing new buildings to point at, no sweeping changes in personnel, no elaborate program launches. Instead, countless small contributions collectively strengthened the core of our organization.

It has been a joy to watch the cooperative movement in action. I feel Bloomingfoods got its groove back this year. Do you feel it? It's hard to quantify. Staff members seem happier and more excited about the future, which translates into a better atmosphere in the stores. Dee and Phil have excelled in fostering a culture of teamwork, empowerment, and optimism.

Owner-members stepped up their own positive energy, pitching in with ideas, contributions, and kind words. Our board continued to gather information and guide changes that position us for future decisions. From the outside the year seemed quiet, but ultimately we benefited from a year of healing and growth. Heartfelt thanks to each one of you who played a role in rebuilding our cooperative.

## A MARKET FOR LOCAL, FAIR, & HEALTHFUL FOOD

Thanks to the commitment of our owner-members and the hard work of our staff, we continue to operate three locations. Our East store, located on Third Street near the College Mall; our Near West Side Store, located at 6th and Madison along the B-Line Trail; and our Ivy Tech Café, located on the Ivy Tech campus west of Bloomington.

This year, Bloomingfoods is proud to have a relationship with over 90 local producers from the all over the state of Indiana. While Fiscal Year 2019 saw an overall local sales dollar decrease of -2.96% (likely related to overall sales decline), we are pleased to note that we saw a modest increase in the number of unique local items sold in FY2019, as well as an increase in the percent of total sales dollars attributed to local items. This seems to indicate that our customers are committed to supporting local farmers and producers, and that the co-op is doing a better job of providing and featuring local products.

## DEMOCRATIC COOPERATIVE OWNERSHIP

Fiscal Year 2019 saw a net gain of 107 new owner-members. Even more notably, we saw a 16.66% decrease in the number of owner-members who chose to leave the co-op, with only 56 leaving in FY19 versus 90 in FY18 and 204 in FY17. We are happy to see more owner-members staying with Bloomingfoods and look forward to recruiting new owner-members as our community continues to grow.

### OWNER-MEMBER COUNT BY YEAR

**2017 - 12,585**

**2018 - 12,754**

**2019 - 12,861**

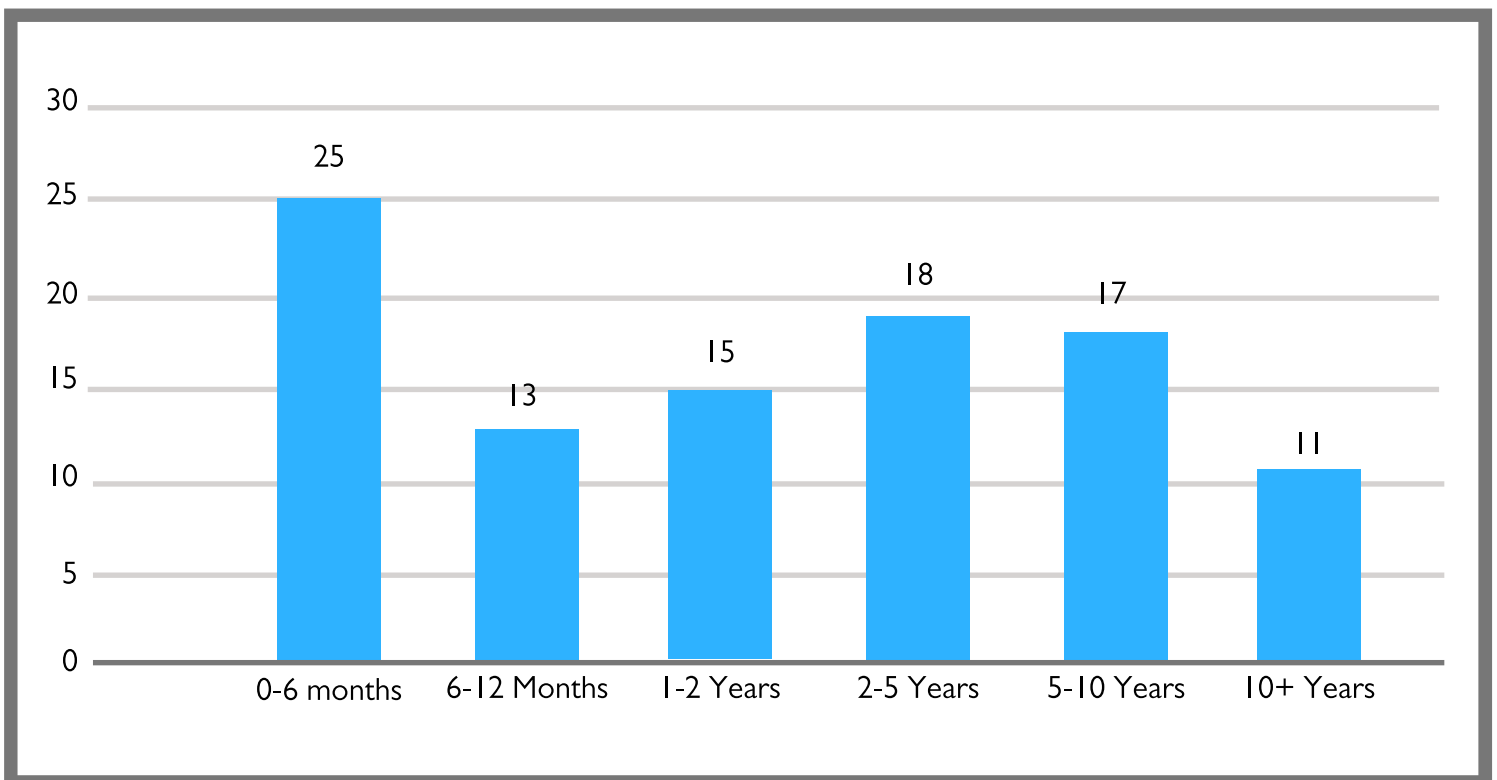
# MEANINGFUL EMPLOYMENT

Our goal at Bloomingfoods is to provide meaningful employment where employees feel valued and that they are contributing to a worthwhile organization. We strive to pay a fair wage and offer other benefits and perks to show our appreciation to our staff, who are the core of our business.

The co-op ended the fiscal year with a total of 99 employees, up from 91 last year. It is worth noting that 26% of our current staff have a length of service of at least two years, and 38% of our current staff have been here for one year or less. While turnover is at times an issue, 27% of our current staff are quite experienced, having worked at the co-op for five years or longer.

The co-op uses livable wage models to establish compensation rates. As per the co-op's labor contract, a full-time hourly employee in the collective bargaining unit will start at \$11/hour, receive health insurance and 5 days paid personal leave after 90 days, 10 days paid vacation after one year, plus long-term disability and life insurance. All employees receive a 20% discount on co-op purchases as well as a 40% discount on hot bar purchases during their shifts.

## BCS STAFF LENGTH OF SERVICE



## STRENGTHENING THE COMMUNITY

During Fiscal year 2019 Co-op shoppers donated \$98,557.91 through our Positive Change roundup program. 100% of those donations went directly to local non-profit and charitable organizations.

### FISCAL YEAR 2019 POSITIVE CHANGE ROUND-UP

July	Round Up for Bfoods	\$8,715.12
August	Community Kitchen	\$9,927.94
September	Hoosier Hills Food Bank	\$9,108.28
October	Interfaith Winter Shelter	\$9,150.20
November	MCCSC Food Assistance	\$8,333.31
December	Bloomington Community Orchard	\$7,097.82
January	Stepping Stones/Centerstone	\$8,182.02
February	Mother Hubbard's Cupboard	\$8,853.13
March	Shalom Community Center	\$8,916.09
April	Community Kitchen	\$10,005.87
May	Hoosier Hills Food Bank	\$9,583.15
June	Sycamore Land Trust	\$9,400.10

## STRENGTHENING THE LOCAL ECONOMY

According to the "local multiplier effect", every dollar spent at a local food co-op has an economic multiplier of 1.6, compared to 1.36 by conventional stores (resource provided by NCG). Bloomingfoods is proud to share that our impact in Fiscal year 2019, based on the local multiplier effect, was \$19,304.148.

Additionally, Bloomingfoods offers a number of programs that seek to make healthful food more accessible to more members of the community. In FY2019, eligible participants in our Bloomingfoods for All discount program saved \$11,618.94 and took advantage of their savings 36,249 times. That's an average of 88 transactions a day!



Launched in October 2017, our popular \$3 Community Dinner program continues to provide clean, simple, freshly prepared food at an accessible price twice a week. In Fiscal Year 2019, a total of 29,643 \$3 meals have been shared with the community, compared to 19,495 last year.

## **ACCESS TO EDUCATION**

Bloomingfoods is proud to partner with the Bloomington Community Farmers' Market and once again participated in the annual Homegrown Farm Tour this summer. Each month, we introduce our shoppers to a new local vendor via our Local Focus promotion, and we regularly schedule local vendor product demonstrations in-store.

We host monthly Wellness Wednesday Workshops in our East community room, inviting community members to hold classes on a variety of topics centered around living a more healthful, stress-free life.

We look forward to enhancing these programs and increasing our focus on providing far-reaching education in the coming year!

# **BLOOMINGFOODS SENIOR LEADERSHIP TEAM**

<b>Dee Bohler</b>	<b>General Manager</b>
<b>Phil Phillippy</b>	<b>General Manager, Near West Store Manager</b>
<b>Mac McLaughlin</b>	<b>Finance Manager</b>
<b>Michele Shepherd</b>	<b>HR Manager</b>
<b>Nancy Flynn-Hert</b>	<b>East Store Manager</b>
<b>LS Weyers</b>	<b>Ivy Tech Store Manager</b>

# 2019 FINANCIAL REPORT

## By Bobbi Boos

The Annual Report always starts with the fun stuff like Co-op Days, local vendors, and Positive Change. The finances may be less exciting, but are still important. I am pleased to report our finances have improved in many ways and are far better than when I joined the board 3 years ago. Cash reserves have increased, Accounts Payable has decreased, and our current ratio is steadily improving. We experienced a modest profit this year, roughly half from operating income and the rest from owner-lenders that generously forgave all or part of their loans.

For the past four years, Bloomingfoods has been in the unusual position where sales are decreasing but income is increasing. The increase in income is due largely to hard work by our management and staff to reduce expenses. Increasing sales is more challenging. In the ongoing wake of new competition, one small success concerns the new Fresh Thyme. Initial sales projections from consultants suggested a 30% decrease in East store sales for FY19. We only saw a 15% decrease at East and less than 10% sales decrease overall.

I expect, and in fact it's essential, to see the sales trend start to improve in FY2020. Frugality is an honorable trait, but it can only take us so far. We need increased sales to generate funds for improving our stores and accomplishing our Ends, such as increasing local food options, supporting farmers, maintaining fair wages, and offering education for the community.

Our Current Ratio continues to improve but is still too low. The Current Ratio measures current assets against current liabilities. It projects an operation's ability to meet short-term obligations. Generally, Current Ratios above 1.5:1 indicate a financially healthy organization, with 1:1 considered minimally acceptable. As you can see below, our Current Ratio is steadily increasing, but is still well below 1:1.

### CURRENT RATIOS FOR 2018-19

1Q 18	2Q 18	3Q 18	4Q 18	1Q 19	2Q 19	3Q 19	4Q 19
0.23:1	0.26:1	0.38:1	0.43:1	0.52:1	0.6:1	0.62:1	0.63:1

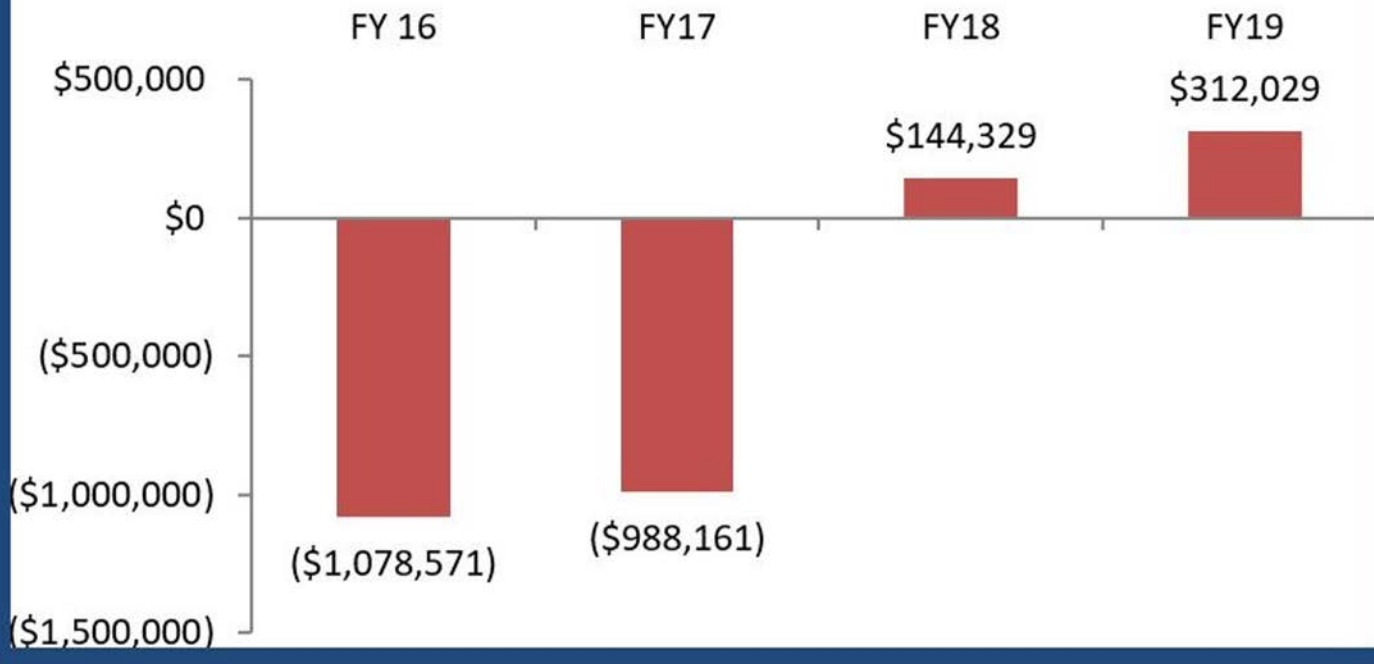
Our primary goal in Fiscal Year 2020 (July 2019-June 2020) is to increase our Current Ratio to 1.5:1 using two tactics. First, we must assure that the sales trend continues to increase. Now that expenses are in line with sales, improved sales would have tremendous impact on our assets. Second, we must decrease our liabilities. We have the potential to pay off the City of Bloomington and German American debt while maintaining a reasonable cash reserve. Our owner-lenders have generously forgiven \$170,000 of our Elm Heights loans. With another round of debt forgiveness we could reach our goal of having less than \$1,000,000 in liabilities. That's still high, but it's 41% lower than the debt just 2 years ago and brings us back to a healthy current ratio.

Why does current ratio matter? We still face the challenge of relocating the East store, which will require a large influx of capital. The healthier we can get our current ratio and our balance sheet, the more likely we are to receive funding from grants, loans, and gifts. Relocating the East store will allow us to meet the needs of our existing owner-members, attract new owner-members, and retain our knowledgeable and dedicated staff.

Recovering from financial crisis is a slow process, but we are doing it. Let's all take a moment to celebrate the amazing comeback we've made both in morale and financial stability since 2016. Thanks to our owner-members, customers, staff and board for support and understanding. In the challenges ahead our cooperation will keep Bloomingfoods thriving.



### Bloomingfoods Income



### Bloomingfoods Quarterly Net Income FY2016-FY 2019

